

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Pedro Resources Ltd.
393 University Avenue, Suite 1810
Toronto, Ontario M5G 1E6

2. Date of Material Change

January 9, 2024

3. Material change report

A press release disclosing the material change was released on January 10, 2024, through the facilities of Newsfile Corp.

4. Summary of Material Change

On January 10, 2024, the Company announced that it reached an agreement to extend the term of its collaboration agreements (collectively, the “**Collaboration Agreements**”) with Fixed Earth Innovation Ltd. (“**Fixed Earth**”) Dirty Dirt Services Ltd. (“**Dirty Dirt**”), FCS Solutions Ltd. (“**FCS**”) and Oil-Out Ltd. (“**Oil-Out**”).

5. Full Description of Material Change

In relation to the Company’s proposed change of business, the Company reached an agreement to extend the term of the Collaboration Agreements with Fixed Earth and Dirty Dirt from 5 years to 20 years and to amend the term of the Collaboration Agreement with FCS and Oil-Out to contemplate an initial term of five years which may be extended to up to 20 years.

Furthermore, the Company has opted to increase its financial commitment towards Fixed Earth from \$200,000 to \$225,000 to increase investments in microbe growth facilities, and research in PFAS degrading microbes, metal remediation methods and gel capsule and lichen research. The Company additionally granted Fixed Earth the right to appoint one board member to its board of directors and the right to receive stock options subject to the policies of the Canadian Securities Exchange and the Company’s stock option plan.

The proposed change of business is subject to the receipt of all necessary approvals, including without limitation regulatory approval from the Canadian Securities Exchange. The Collaboration Agreements are subject to a number of conditions, including but not limited to, Canadian Securities Exchange approval. There can be no assurance that the change of business will be completed as proposed or at all.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

7. Omitted Information

No significant facts have been omitted from this Material Change Report.

8. Executive Officer

For further information, contact Brian Stecyk, Chief Executive Officer and Director at (780) 953-0111.

9. Date of Report

This report is dated at Toronto, this 17th day of January, 2024.

Cautionary Statement Regarding Forward-Looking Information

This material change report contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. More particularly and without limitation, this material change report contains forward-looking statements and information relating to the Company's proposed change of business, the Collaboration Agreements and the Company's plans and expectations following the change of business. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this material change report.

The forward-looking statements and information contained in this material change report are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements or information contained in this material change report are expressly qualified by this cautionary statement.